

December 27, 2001

D.T.E. 01-108

Investigation by the Department on its own motion as to the propriety of rates and charges set forth in the following tariff: M.D.T.E. No. 974, filed with the Department on December 14, 2001 to become effective January 1, 2002 by Boston Edison Company.

I. INTRODUCTION

On December 3, 2001, pursuant to G.L. c. 164, § 1A(a), 220 C.M.R. § 11.03(4) and the Restructuring Settlement Agreement approved in Boston Edison Company,

D.P.U./D.T.E. 96-23 (1998), Boston Edison Company d/b/a NSTAR Electric (“BECo” or “Company”) filed with the Department of Telecommunications and Energy (“Department”) its 2001 reconciliation filing (“2001 Reconciliation”), which included the reconciliation of transition, transmission, standard offer service, and default service costs and revenues, and which proposed updated charges and tariffs to be effective January 1, 2002.¹

On December 14, 2001, BECo withdrew its proposed tariff for Rate WR, M.D.T.E. 960, and filed a new tariff Rate WR, M.D.T.E. No. 974, to be effective January 1, 2002. The Company stated that it withdrew the initially-proposed Rate WR and filed this new tariff because the Massachusetts Water Resources Authority (“MWRA”), BECo’s sole customer on Rate WR, elected to leave standard offer service as of November 1, 2001 (December 14, 2001 transmittal letter to the Department at 1-2).² The Company claimed that its proposed Rate WR, M.D.T.E. No. 974, differs from the currently effective rate because, aside from unbundling the delivery service component of the rate, it reflects changes in the level of charges for transition, transmission, energy efficiency, and renewables for 2002 (id.).

On December 21, 2001, the MWRA requested that the Department suspend and

¹ D.T.E. 01-78 addresses the Company’s 2001 Reconciliation that included proposed tariffs: M.D.T.E. Nos. 958, 959, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, to be effective January 1, 2002.

² The MWRA currently takes service from the Company under a tariffed Rate WR, M.D.T.E. No. 944.

investigate M.D.T.E. No. 974. The Company filed a reply to the MWRA's request. The Department, after review, consideration, and study of the aforementioned filing, has determined that further investigation is necessary and hereby suspends the operation of the rates and charges in the proposed Rate WR, M.D.T.E. 974, until April 1, 2001, unless otherwise ordered by the Department.

Effective January 1st of each year, rate WR is adjusted for changes in the rate of inflation, and the reconciliation of transition and transmission revenues and expenses. If the Company's current rate WR remains in effect after December 31, 2001, then rate WR will not recover this adjustment. Accordingly, the Department directs the Company to immediately file revisions to the existing Rate WR, to be effective January 1, 2002, that include the updated charges for 2002. This revised tariff will be effective subject to the outcome of the investigation into the proposed Rate WR (M.D.T.E. 974).

II. ORDER

Accordingly, the Department, after review, consideration and study of the aforementioned filing, has determined that further investigation is necessary. It is therefore

ORDERED: That the operation of the rates and charges set forth in the tariff submitted by Boston Edison Company with the Department on December 14, 2001, M.D.T.E. No. 974, for service on and after January 1, 2002 is SUSPENDED, and the use deferred until April 1, 2002, unless otherwise ordered by the Department;

FURTHER ORDERED: That Boston Edison Company follow all other directives contained in this Order.

By Order of the Department,

James Connelly, Chairman

W. Robert Keating, Commissioner

Paul B. Vasington, Commissioner

Eugene J. Sullivan, Jr., Commissioner

Deirdre K. Manning, Commissioner

Appeal as to matters of law from any final decision, order or ruling of the Commission may be taken to the Supreme Judicial Court by an aggrieved party in interest by the filing of a written petition praying that the Order of the Commission be modified or set aside in whole or in part.

Such petition for appeal shall be filed with the Secretary of the Commission within twenty days after the date of service of the decision, order or ruling of the Commission, or within such further time as the Commission may allow upon request filed prior to the expiration of twenty days after the date of service of said decision, order or ruling. Within ten days after such petition has been filed, the appealing party shall enter the appeal in the Supreme Judicial Court sitting in Suffolk County by filing a copy thereof with the Clerk of said Court. (Sec. 5, Chapter 25, G.L. Ter. Ed., as most recently amended by Chapter 485 of the Acts of 1971).